

**THE OFFICE OF REGULATORY STAFF  
SURREBUTAL TESTIMONY  
OF  
WILLIE J. MORGAN**



**DOCKET NO. 2007-286-WS**

**Application of Utilities Services of South  
Carolina, Incorporated for Adjustment of Rates  
and Charges and Modifications to Certain Terms  
and Conditions for the Provision of Water and  
Sewer Service**

**SURREBUTTAL TESTIMONY OF WILLIE J. MORGAN**

**FOR**

**THE OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2007-286-WS**

**IN RE: UTILITIES SERVICES OF SOUTH CAROLINA, INC.**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND  
OCCUPATION.**

A. My name is Willie J. Morgan, and my business address is 1441 Main Street, Suite 300, Columbia, South Carolina 29201. I am employed by the State of South Carolina, Office of Regulatory Staff ("ORS") as the Program Manager for the Water and Wastewater Department.

**Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN  
THIS PROCEEDING?**

A. The purpose of my surrebuttal testimony is to respond to portions of rebuttal testimony provided by witnesses for Utilities Services of South Carolina, Inc. ("USSC"). Specifically, I will focus on the observations made by Mr. Bruce Haas on cross-connection control inspection and the rebuttal testimony of Ms. Lena Georgiev related to service revenue.

**Q. WHAT IS ORS'S POSITION WITH RESPECT TO USSC'S COMMENTS  
CONCERNING CROSS-CONNECTION INSPECTION?**

1 A. ORS supports USSC's proposal to require its water customers to conduct cross-  
2 connection inspections pursuant to 24A S.C. Code Ann. Regs. 61-58.7.F (Supp.  
3 2006). ORS agrees this requirement does not necessitate a change to USSC's  
4 current rate schedule. ORS supports this provision provided the customer is given  
5 a 30-day advance written notice of the recurring annual date when the customer must  
6 have their backflow prevention device tested by a licensed, certified tester. The notice  
7 should include a link to the DHEC website that has the list of certified testers and  
8 their phone numbers as well as USSC's telephone number. Should the customer  
9 fail to provide a report of the test by a licensed, certified tester within that 30-day  
10 time period, USSC will have the backflow device tested by an independent,  
11 licensed and certified tester and will bill the costs of that test to the customer on  
12 the next bill without markup.

13 **Q. DOES ORS AGREE WITH THE SERVICE REVENUE ADJUSTMENT**  
14 **PROPOSED BY MS. GOERGIEV IN HER REBUTTAL TESTIMONY?**

15 A. No. I did not include service revenue for the Lakewood Estates, Arrowhead  
16 Shores, and Pleasant Hills subdivisions in my original Exhibit WJM-3. While I  
17 listed these three subdivisions in Exhibits WJM-4 and WJM-7 of my direct pre-  
18 file testimony, I eliminated all customer growth and water consumption statistics.  
19 ORS proposed a service revenue adjustment totaling \$179,697 to normalize water  
20 and sewer revenues reported by USSC. ORS proposed the following pro forma  
21 service revenue adjustments:

- 22 1. \$227,132 - additional water and sewer revenue to normalize revenue  
23 recorded for the test year. ORS applied the currently approved rates for  
24 USSC to the entire test year. In addition, ORS adjusted water

1                    consumption to accurately reflect customer billing records as provided by  
2                    USSC.

3                    2. \$47,435 - reduction to water service revenue to eliminate normalized  
4                    revenue for the Lakewood Estates, Arrowhead Shores, and Pleasant Hills  
5                    subdivisions as these customers are no longer customers of USSC.

6    **Q.      DOES THAT CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

7    **A.      Yes, it does.**